

# SENATE BILL 631

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By: **Senators Jones–Rodwell and Madaleno**

Introduced and read first time: February 3, 2012

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Tobacco Tax – Maryland Tobacco–Free Kids Initiative**

3 FOR the purpose of altering the tobacco tax rates on other tobacco products; requiring  
4 a wholesaler to report the amount of other tobacco products sold on a tobacco  
5 tax return; defining certain terms; and generally relating to the taxation of  
6 other tobacco products.

7 BY repealing and reenacting, with amendments,  
8 Article – Tax – General  
9 Section 12–105(b) and 12–202  
10 Annotated Code of Maryland  
11 (2010 Replacement Volume and 2011 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article – Tax – General**

15 12–105.

16 (b) (1) [The] **EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS**  
17 **SUBSECTION, THE** tobacco tax rate for other tobacco products is [15%] **70%** of the  
18 wholesale price of the tobacco products.

19 (2) (i) 1. **IN THIS PARAGRAPH THE FOLLOWING WORDS**  
20 **HAVE THE MEANINGS INDICATED.**

21 2. **“CIGAR” MEANS A CYLINDRICAL ROLL OF CURED**  
22 **TOBACCO.**

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1                   **3. “CONVENTIONAL MOIST SNUFF SMOKELESS**  
2 **TOBACCO” MEANS ANY FINELY CUT, GROUND, OR POWDERED TOBACCO THAT IS**  
3 **NOT INTENDED TO BE SMOKED.**

4                   **4. “ROLL-YOUR-OWN TOBACCO” MEANS ANY**  
5 **TOBACCO THAT IS SUITABLE AS TOBACCO FOR CONSUMERS:**

6                   **A. TO MAKE CIGARETTES OR CIGARS; OR**

7                   **B. TO SMOKE IN A PIPE.**

8                   **5. A. “SINGLE-DOSE SMOKELESS TOBACCO”**  
9 **MEANS ANY FINELY CUT, GROUND, OR POWDERED TOBACCO THAT IS NOT**  
10 **INTENDED TO BE SMOKED AND IS DIVIDED BY THE MANUFACTURER INTO**  
11 **UNIFORM, INDIVIDUAL DOSE SERVINGS.**

12                   **B. “SINGLE-DOSE SMOKELESS TOBACCO” INCLUDES**  
13 **SNUS AND LOZENGES.**

14                   **6. “SMALL-CIGAR CIGARETTE” MEANS:**

15                   **A. A SMALL, THIN CIGAR WITH THE APPROXIMATE**  
16 **DIMENSIONS OF A CIGARETTE; OR**

17                   **B. A CIGARETTE WRAPPED IN TOBACCO INSTEAD OF**  
18 **PAPER.**

19                   **(II) THE TAX RATE FOR CIGARS IS 70% OF THE WHOLESALE**  
20 **PRICE, NOT TO EXCEED \$3.00 PER CIGAR.**

21                   **(III) THE TAX RATE FOR SMALL-CIGAR CIGARETTES IS THE**  
22 **SAME AS THE TAX RATE FOR CIGARETTES AS ESTABLISHED UNDER SUBSECTION**  
23 **(A) OF THIS SECTION.**

24                   **(IV) THE TAX RATE FOR CONVENTIONAL MOIST SNUFF**  
25 **SMOKELESS TOBACCO IS 70% OF THE WHOLESALE PRICE OR \$3.00 PER 1.2**  
26 **OUNCE CONTAINER, WHICHEVER IS GREATER.**

27                   **(V) THE TAX RATE FOR SINGLE-DOSE SMOKELESS TOBACCO**  
28 **IS 70% OF THE WHOLESALE PRICE OR 15 CENTS PER DOSE, WHICHEVER IS**  
29 **GREATER.**

1                   **(VI) THE TAX RATE FOR ROLL-YOUR-OWN TOBACCO IS 70%**  
2 **OF THE WHOLESALE PRICE OR \$3.00 PER 0.65 OUNCES, WHICHEVER IS**  
3 **GREATER.**

4 12-202.

5           (a) A wholesaler shall complete and file with the Comptroller a tobacco tax  
6 return:

7                   (1) for cigarettes:

8                           (i) on or before the 21st day of the month that follows the  
9 month in which the wholesaler has the first possession, in the State, of unstamped  
10 cigarettes for which tax stamps are required; and

11                           (ii) if the Comptroller so specifies, by regulation, on other dates  
12 for each month in which the wholesaler does not have the first possession of any  
13 unstamped cigarettes in the State; and

14                   (2) for other tobacco products, on or before the 21st day of the month  
15 that follows the month in which the wholesaler has possession of other tobacco  
16 products on which the tobacco tax has not been paid.

17           (b) Each return shall state the quantity of cigarettes or the wholesale price  
18 **AND AMOUNT** of other tobacco products sold during the period that the return covers.

19           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
20 July 1, 2012.